

EXHIBIT 9

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Talking Points

Conversations with Customers

ASC Access Fee

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Background

As increased competition continues to enter Michigan's health care marketplace, organizations with administrative services contracts are beginning to examine their self-funding arrangements with greater detail. This has resulted in some employers realizing they don't have a complete understanding of certain elements of their self-funding arrangement. One of those elements is Blue Cross Blue Shield of Michigan's ASC access fee (originally called "retention reallocation").

Prior to 1993, BCBSM included the ASC access fee in its overall administrative fee. However, in order to provide an apples-to-apples comparison with the administrative fees of our competition and better position BCBSM in the marketplace, BCBSM separated the ASC access fee from the administrative fee and made it an element of the billed hospital amount. These talking points will assist you in the disclosure and understanding of this fee.

Customer Profile

BCBSM's ASC access fee applies to self-funded groups that are processed on BCBSM's Local operating system. There are approximately 700 groups affected by this fee, ranging in group size from 50 on up.

What is the ASC Access Fee?

The ASC access fee helps cover the costs associated with the establishment, management and maintenance of BCBSM's provider networks. Through these provider networks, BCBSM is able to achieve the best negotiated rates with providers and hospitals, resulting in deep discounts for our customers. It is important for the customer to understand that every health insurance carrier recoups its costs for network management – this is not unique to BCBSM. However, BCBSM deep network discounts are unique. In fact, they are deep enough that, even with the access fee, our customers still save more than they would with any of our competitors.

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How is the ASC access fee collected and calculated?

Sample calculation:

MI, non-Medicare Group

Peer 1 - 4 Charge	\$10,000
Group bill before access fee	\$5,000
Pre-access fee savings	50.0%
Access fee of 13.5%	
Group bill before access	\$5,000
Access fee (\$5,000 x .135)	\$675
Amount billed to group	\$5,675
Group savings	43.3%

*ASC access fee is 13.5% per claim for applicable claims. The access fee amount is subject to change.

Here are some important facts about BCBSM's ASC access fee:

- To recoup the expense of accessing its network, BCBSM retains a portion of a group's network hospital savings on certain claims. The net effect is an increase to the amount a group pays for its hospital claims.
- The access fee is applied to claims that meet the following criteria: Michigan-based, non-Medicare claims incurred at Peer Groups 1 through 4 hospitals. Peer Groups 1 through 4 hospitals have substantial discounts. The access fee is not applied to Peer Groups 5 through 7 hospitals because the discount is nothing or very small.
- The ASC access fee affects each group differently because of claims utilization, location and demographics. The following factors must be taken into account:
 - Number of out-of-state contracts — BCBSM's access fee is not applied to claims incurred outside of Michigan. Please remember that claims incurred outside of Michigan may have a BlueCard® access fee, which is different than BCBSM's ASC access fee.
 - Number of Medicare contracts — BCBSM's access fee does not apply to Medicare.



- Where the group is located in Michigan — There are certain areas in Michigan where there are very few Peer Groups 1 through 4 hospitals. Groups located in these areas incur lower overall access fees than groups in areas where Peer Groups 1 through 4 hospitals are located (see chart on page 5 for hospital peer group assignments).
- Number of high dollar claims and level of specific stop-loss coverage — Specific stop-loss credits have an impact on the amount of access fee being reported. For example, let's say a group has \$50,000 specific stop-loss coverage and incurs a large claim of \$100,000. The methodology for collecting the access fee would increase the total to \$113,500, but because the group has specific stop-loss protection, it would only be charged \$50,000. Anything over the specific stop-loss amount, including the entire access fee, would not be charged to the group. The access fee dollars being reported on the Value of Blue report (explained in the next section) are net any amounts credited for stop-loss.



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CRITERIA FOR PEER GROUP ASSIGNMENT

Peer Group ¹	Description	Reimbursement Method		
		Facility Type	Payment Type	Certification Req's
1	50 or more full-time interns and residents and 325 or more beds	Acute care	DRG	Setting only
1		EPC/REH/MOT	Selective	Setting and length of stay
2	More than 10 full-time interns and residents and 325 or more beds	Acute care	DRG	Setting only
2		EPC/REH/MOT	Selective	Setting and length of stay
3	Less than 10 full-time interns and residents, Non-rural and less than 325 beds Or Rural and more than 150 beds	Acute care	DRG	Setting only
3		EPC/REH/MOT	Selective	Setting and length of stay
4	Rural and 150 beds or less and more than 2,000 total admissions a year	Acute care	DRG	Setting only
4		EPC/REH/MOT	Selective	Setting and length of stay
5	Rural and 100 beds or less and less than 2,000 total admission per year	Acute care/ EPC/REH/MOT	Selective ²	Setting and length of stay
6	Licensed psychiatric hospital		Selective	Setting and length of stay
7	Recognized rehabilitation (PT) hospital		Selective	Setting and length of stay

Facility Type	Description
EPC	Exempt psychiatric unit
REH	Rehabilitation unit (Y=Exempt; N=Not exempt)
MOT	MOT children's unit (including in Med/Surg)
BRN	Special burn unit (including in Med/Surg)
NEO	Special neonatal unit

¹ Refer to the table for a more detailed description of the peer group.

² Controlled charges: actual cost reimbursement.

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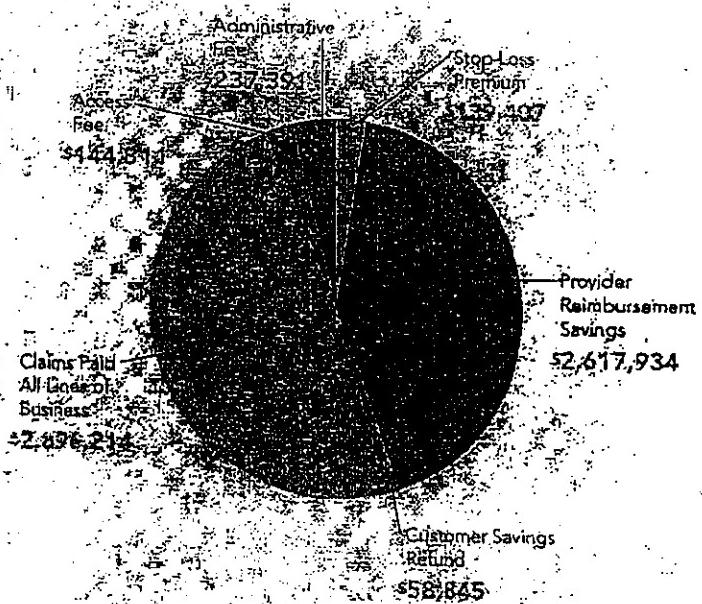


The Value of Blue report

The new *Value of Blue* report will be generated for each group at the time of its ASC annual settlement to show its health care expenditures, refunds and savings. (Ad hoc reports may be requested at any time.) The *Value of Blue* report accomplishes the following:

- Identifies the savings and costs an ASC group realized in a given time period.
- Identifies the provider reimbursement savings for all lines of BCBSM coverage.
- Reflects what has been communicated to the group for amounts billed. The claims paid plus the net access fee equals the total amount billed for that time period. The claims paid amount is for all lines of coverage.
- Highlights the group's provider savings in group-specific comments at the bottom of the report. The group's sales representative and underwriter should craft these comments.
- Lists the amount of the group's most recent customer savings refund. This amount represents hospital settlement savings and prescription drug rebates, along with other settlement amounts. These refunds are issued annually to ASC customers, usually in the month of December.
- Identifies costs for administration and stop-loss premium.
 - Note: Beginning with each group's 2007 renewal, the ASC access fee has been capped at \$35 per contract, per month. This would be the maximum amount any ASC account would pay for the access fee in 2007. At the time of the 2007 settlement, the underwriter will identify which accounts have exceeded the cap and work with the sales representative to determine how to credit the group.

Sample
ABC Company
January 1, 2006 through December 31, 2006





How to present the ASC access fee

The following are some suggestions for how to present the ASC access fee to your customers.

- It is strongly recommended that you meet with your underwriters to develop an individual strategy for each of your groups.
- The ASC access fee discussion should be a part of the larger conversation you have with your customers regarding their annual ASC settlement packages for which the *Value of Blue* report was developed.
- You should emphasize the amount of provider savings realized by your customers and how the access fee compares to their total health care dollars spent. The access fee should not be the focal point of your discussions.
- Consult with your underwriter regarding unique arrangements such as guarantees or caps on the access fee. This can be done for selected accounts based on group size.

Note: These discussions should begin with January 2006 settlements.



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Marketing Strategies

~~Customer concern~~

The customer either feels BCBSM has hidden the access fee from them, or wonders why it's being addressed now after having been introduced years ago.

~~Blues message:~~

BCBSM fully disclosed the access fee to groups in 1993. Language regarding the access fee is part of the customer's ASC contract, and reporting of the access fee has been available as requested. However, it has become apparent that there is not a consistent understanding of this fee. To assist groups with understanding their overall health care costs, BCBSM developed the *Value of Blue* report. This report, along with individual attention from their sales representatives to explain their savings and costs during their annual settlement meetings, should ensure a consistent understanding among the ASC groups.

~~Customer concern~~

The customer wonders if other carriers charge network access fees.

~~Blues message:~~

The collection of network access fees as a separate charge is common in the industry. If a carrier is not charging these costs separately, then they are incorporated into the carrier's administrative fee. The fees and method of collection will vary among carriers. BCBSM's access fee and administrative fee combination may appear to be high in comparison to other carriers. However, because of our deep network discounts and competitive stop-loss coverage, our customers still realize lower total costs than our competition can offer. The *Value of Blue* report will assist in demonstrating how a group's fixed costs and the net access fee are a relatively small piece of the total. The customer's focus should be on the total pie, which includes provider savings.

~~Customer concern~~

The customer is concerned that the combination of BCBSM's administrative and ASC access fees is high in relation to other carriers' fees. (Note: This would most likely concern our larger customers of 150 contracts and above.)

~~Blues message:~~

Unlike other carriers, BCBSM offers all-inclusive administrative and access fees with no additional cost for services or programs. For this reason, our combined fees appear high in relation to our competition. The following services and programs are built into the combined fees:

- * Network management activities, including provider contracting and credentialing
- * Utilization management activities, including utilization review and precertification programs
- * BlueHealthConnection®, BCBSM's integrated wellness and care management program with a broad range of member health and wellness resources, including 24-hour health coach call line; Quit the Nic smoking cessation program; online health risk appraisal; online informational tools; self-care handbooks and DVDs; chronic disease and condition management support; and case management intervention
- * *Living Healthy* magazine
- * Discounts on alternative health and wellness options through Naturally Blue™
- * Discounts on safety and injury prevention equipment through BlueSafe™
- * Discounts on Weight Watchers® (Michigan)
- * Consumer Web tools, including online explanation of benefits, Healthcare Advisor™ and Coverage Advisor™
- * ID cards
- * Benefit books
- * Data reports
- * Anti-fraud services
- * Plan implementation

Customer concern:

The customer is concerned that the \$35 monthly cap per contract is high.

BCBSM message:

Due to fluctuations in claims utilization, especially large-dollar claims, the ASC access fee can vary significantly from year to year. The cap is set to mitigate the impact of these variances. The cap is not what BCBSM expects the ASC access fee to be for any given group. The average fee is considerably less than \$35, with a significant number of accounts falling below the average. Although the cap seems high, a significant number of groups will have a fee that is far below the \$35.



Customer concern:

The customer wonders what costs are being collected in the access fee.

Blues message:

The access fee is BCBSM's cost of doing business for establishing and maintaining our provider network. This fee is what allows self-funded groups, which don't pay insurance rates, access to and substantial discounts from our provider network. Our network is the largest in Michigan with the deepest discounts — that's the value of being Blue.

Customer concern:

The customer wonders what access fee payment options are available.

Blues message:

Payment options available depend on the size of the account. BCBSM wants to accommodate our customers the best we can, and we will work with the customer to find a suitable payment method. (Note: Sales representatives should consult with Underwriting for the available options.)

Want to find out more?

Groups should contact their Blues sales representative for more information, or visit bcbsm.com for general information about Blue Cross Blue Shield of Michigan.